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10-7-07

The opinion in support of the decision being entered today was not written for publication and is not binding precedent of the Board.

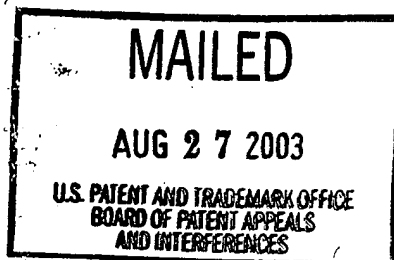


Paper No. 17

**UNITED STATES PATENT AND TRADEMARK OFFICE**

**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Ex parte JAMES LEISTENSNIDER and THOMAS LOOP JR.



Appeal No. 2002-0811  
Application No. 09/182,466

ON BRIEF

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SEP 12 2003  
**GROUP 3600**

Before THOMAS, KRASS, and DIXON, Administrative Patent Judges.

THOMAS, Administrative Patent Judge.

**DECISION ON APPEAL**

Appellants have appealed to the board from the examiner's final rejection of claims 1 through 30.

Representative claim 1 is reproduced below:

1. A computer-implemented method for creating a portfolio of equity stocks, comprising the steps of:
  - determining the composition of a predetermined broadbased stock index by accessing a database and creating a list of the stocks making up said index;
  - obtaining from said database for each stock in said index, data relating to at least earnings, dividend yield and the economic sector of the company issuing the stock;

determining the composition of a narrower based stock index by accessing said database;

creating an acceptable stock list by at least

- a) eliminating from said index list stocks having earnings below a predetermined earnings indicator,
- b) eliminating from said index list stocks which are part of said narrower based index,
- c) eliminating from said index list stocks which are in a predetermined economic sector, and
- d) placing the remaining stocks into a list of acceptable stocks; and

sorting the acceptable list of stocks by dividend yield and placing into said portfolio, until a predetermined number of stocks are reached, a stock having the highest dividend yield of said remaining list, so long as the number of stocks in said portfolio from the same economic sector does not exceed a predetermined number.

The following reference is relied upon by the examiner:

O'Shaughnessy

5,978,778

Nov. 2, 1999  
(filed Dec. 20, 1997)

Claims 1 through 30 stand rejected under 35 U.S.C. § 103. As evidence of obviousness, the examiner relies upon O'Shaughnessy alone.

Rather than repeat the positions of the appellants and the examiner, reference is made to the Supplemental Brief filed on September 4, 2001 and the Reply Brief, as well as the Answer.

### OPINION

Because we have concluded the examiner has not set forth a prima facie case of obviousness, the rejection of all claims on appeal under 35 U.S.C. § 103 must be reversed. In the following discussion we will set forth essentially three reasons that provide the basis for this reversal.

At the outset, we observe that independent claims 1, 11 and 21 on appeal essentially have corresponding features recited in their respective methods, systems and program products.

The examiner's rationale in the statement of the rejection at pages 4 through 6 of the Answer as to independent claims 1, 11 and 19 on appeal is fatally deficient. Pages 4 and 5 of the Answer set forth what the examiner views as corresponding teachings to the majority of the limitations of representative claim 1 on appeal. At the top of page 5 of the Answer, the examiner recognizes that O'Shaughnessy does not teach the claimed step of creating a list of stocks making up a list of a broadbased index and also fails to teach the additional step of eliminating from that index list stocks which are part of an earlier recited narrower-based stock index. What follows at pages 5 and 6 is fatal to the examiner's attempt to assert a prima facie case of obviousness.

The examiner initially asserts that these two claimed features found to be deficient in the teachings and suggestions of O'Shaughnessy "would have been an obvious matter of design choice to one of ordinary skill in the art at the time the invention was made...[because] Applicant has not disclosed that creating a list of the stocks making up the index, and eliminating from the index list stocks which are part of the narrower based stock index provides an advantage, is used for a particular purpose, or solves a stated problem."

This initial reasoning process is based upon wrong or reverse logic. As noted by the case law relied upon by appellants in the Brief and Reply Brief, the examiner has a positive, initial burden to prove unpatentability within 35 U.S.C. § 103. Conversely, appellants have no duty or presumption against patentability.

The second fatal line of reasoning advanced by the examiner on page 5 of the Answer asserts that the artisan "would have expected Applicant's invention to perform equally well...." This line of reasoning advanced by the examiner appears to be a subtle form of prohibited hindsight, using appellants' disclosed and/or claimed invention against them.

The examiner's rationale appears to be based upon the examiner's view of what the artisan would surmise or conclude without any further evidentiary basis to support the assertions and conclusions reached. The examiner's rationale cannot be a substitute for evidence to prove unpatentability.

In order for us to sustain the examiner's rejection under 35 U.S.C. § 103, we would need to resort to speculation or unfounded assumptions to supply deficiencies in the factual basis of the rejections. In re Warner, 379 F.2d 1011, 1017, 154 USPQ 173, 178 (CCPA 1967), cert. denied, 389 U.S. 1057 (1968), reh'g denied, 390 U.S. 1000 (1968). This we decline to do.

Our reviewing court has made it clear in In re Lee, 277 F.3d 1338, 61 USPQ2d 1430 (Fed. Cir. 2002), and In re Zurko, 111 F.3d 887, 42 USPQ2d 1476 (Fed. Cir. 1997), that rejections must be supported by substantial evidence in the administrative record and that where the record is lacking in evidence, this Board cannot and should not resort to unsupported speculation. As indicated in Lee, 277 F.3d at 1343-44, 61 USPQ2d at 1433-34, the examiner's finding of whether there is a teaching, motivation or suggestion to combine the teachings of the applied references must not be resolved based on "subjective belief and unknown authority," but must be "based on objective evidence of record."

Just as our reviewing court in In re Lee found deficient the mere assertion of common knowledge and common sense in the art without concrete evidence in the record on which to base this assertion, we find the examiner's "obvious matter of design choice" argument here to be without concrete or objective evidence in the record to support it.


Lastly, on the merits, the examiner's rejection must also be reversed. The artisan may well have found it obvious to have created a list of stocks making up a broadbased stock index based upon the teachings and suggestions in O'Shaughnessy alone. The showing in Figure 1 and its initial teachings beginning at the bottom of column 13 at line 55 of O'Shaughnessy indicates that the Stock Database is stated to be any commonly used database, which teaching is repeated in the closing paragraph at column 15, lines 9 through 11. The art readily recognizes and O'Shaughnessy clearly indicates on its own that appellants' own starting point for the broadbased stock index, the Standard and Poor's index, is an index database itself based upon a subset list of all the stocks available anyway. Furthermore, the examiner's analysis in the paragraph in the middle of page 10 appears to be well taken and is not challenged by appellants in the Reply Brief.

On the other hand, appellants argue, and there's no dispute from the examiner's perspective, that there is no teaching or suggestion in O'Shaughnessy of eliminating from an acceptable stock list stocks which are in part based upon a narrower based index. Flowchart Figures 1 and 2 in O'Shaughnessy and the corresponding discussions thereof do not teach or otherwise indicate to the artisan the desirability of eliminating from a broader based stock index any stocks from a so-called narrower stock index.

The examiner's decision to reject claims 1 through 30 under 35 U.S.C. §  
103 is reversed.

**REVERSED**

  
James D. Thomas  
Administrative Patent Judge

  
Errol A. Krass  
Administrative Patent Judge

  
Joseph L. Dixon  
Administrative Patent Judge

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ELD

Appeal No. 2002-0811  
Application No. 09/182,466

Page 7

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VMD:cjk



AF 13628  
#18

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of ) BEFORE THE BOARD OF PATENT  
James P. LEISTENSNIDER et al. ) APPEALS AND INTERFERENCES  
Serial No. 09/373,786 ) Examiner: Jeffrey C. Pwu  
Filed: August 13, 1999 ) Group Art Unit: 3628  
For: METHOD AND SYSTEM FOR ) September 9, 2003  
CREATING A PORTFOLIO )  
OF STOCK EQUITIES BASED )  
ON MARKET CAPITALIZATION )

LETTER

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

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Dear Sir:

Submitted herewith for filing in the above-identified application is a copy of a favorable Decision recently received from the Patent and Trademark Office in parent application Serial No. 09/182,466 (Atty. Docket 2449-101).

Respectfully submitted,

ROTHWELL, FIGG, ERNST & MANBECK, p.c.

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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/182,466	10/30/1998	JAMES LEISTENSNIDER	2449-101	2043

6449 7590 08/27/2003

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EXAMINER

KAZIMI, HANI M

ART UNIT

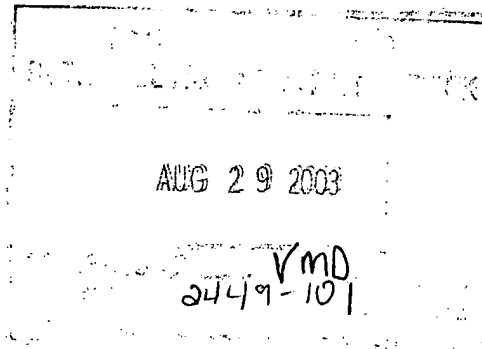
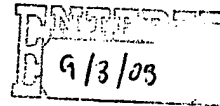
PAPER NUMBER

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DATE MAILED: 08/27/2003



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